

## **ELECTRONIC OPTIONS A HIT WITH TAXPAYERS**

WASHINGTON -- This tax season, the Internal Revenue Service offered a full range of electronic options, from filing and signing the returns to getting refunds or making payments. And taxpayers have done so in record numbers.

"We're pleased with this response to our invitations to go electronic," said Internal Revenue Commissioner Charles O. Rossotti. "It affirms our decisions to broaden the use of electronic commerce and to develop effective partnerships with state tax agencies and private sector firms in the electronic arena."

Total e-filing -- by phone or computer -- was up 19 percent over last year. The larger computer-filing segment had a strong gain of almost 27 percent, with a nearly 20 percent increase from tax professionals and a 161 percent growth among home computer users. Computer filing remains available until October 15 for those who have not yet filed their 1998 returns.

Taxpayers using the simplest return appear to be shifting from phone and paper to computer filings. TeleFile declined five percent and the paper Form 1040EZ dropped eight percent, while computer-filed returns from these taxpayers increased 16 percent. Overall, use of the 1040EZ or an electronic equivalent declined slightly, from around 18 to 17 percent of all returns. TeleFile remains available until August 16.

The use of identification numbers as electronic signatures expanded from the TeleFile program to computer-filed returns this year. Nearly 650,000 home computer users took up the IRS invitation to use an e-file customer number and file a paperless return. Almost 500,000 other taxpayers chose their own personal identification numbers to replace signature documents when e-filing through tax professionals.

Since 1996, all taxpayers have been able to ask the U.S. Treasury to deposit the refund directly into a checking or savings account, rather than sending a paper check. Nearly 22 million have done so already this year, surpassing the 19 million for all of 1998. This year saw the introduction of the reverse process -- authorizing a direct debit, in which the tax payment goes directly from the taxpayer's account to the Treasury. More than 74,000 taxpayers chose this option, available only to those who filed by computer. The IRS offered another new way to pay electronically this year -- credit cards. More than 53,000 taxpayers charged their balance due this year.

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## 1999 FILING SEASON STATISTICS

Cumulative through the week ending 4/24/98 and 4/23/99

	<u>1998</u>	<u>1999</u>	<u>% Change</u>
<b>Individual Income Tax Returns</b>			
Total Receipts	110,088,000	111,507,000	1.3
Total Processed	77,558,000	79,912,000	3.0
<b>E-filing Receipts:</b>			
TOTAL	24,348,000	28,993,000	19.1
TeleFile (phone)	5,946,000	5,647,000	- 5.0
Computer	18,402,000	23,346,000	26.9
Tax Professionals	17,480,000	20,940,000	19.8
Self-prepared	922,000	2,406,000	161.1
<b>Refunds Certified by the Martinsburg Computing Center:</b>			
Number	66,947,000	70,998,000	6.1
Amount of principal	\$89.843 billion	\$109.474 billion	21.9
Average refund	\$1342	\$1542	14.9
<b>Direct Deposit Refunds:</b>			
Number	17,968,000	21,742,000	21.0
Amount	\$32.494 billion	\$44.212 billion	36.1